

Additional Questions for the Record – The Honorable Tim Murphy

Answers from: E. Neil Trautwein, Vice President, Employee Benefits Policy Counsel, National Retail Federation. July 22, 2013

1. You wrote in your testimony that “our members are not enjoying the challenge of compliance.” What have you heard from your membership about the administrative burdens of the health care law?
  - a. The Affordable Care Act (ACA) poses myriad special challenges to retailers and chain restaurants, particularly because of the large numbers of part-time or variable-hour employees we employ. Determining eligibility for coverage, managing the volatility of our workforce (e.g. turnover and variable hours), managing the 30-hour definition of full-time, reporting workforce information to different exchanges on a state by state basis – all of these are leading concerns for our members. We have spent a lot of time working to educate our members on their responsibilities under the ACA.
2. You mentioned in your testimony that “key regulatory questions are as of yet unanswered, even at this very late date”—what regulatory guidance or certainty on the law would your organization like to hear from the administration?
  - a. A number of regulations are still pending, most prominently the regulations to spell out the reporting specifications to the exchanges. Other areas have been addressed but incompletely (e.g., comparing tip income for affordability determinations).
3. Have you heard any examples of employers reducing their number of employees? If so, please explain.
  - a. Not beyond some well publicized examples – our members have been reticent about this information becoming public. They would much rather the public think about retail or chain restaurant brands than employment practices.
4. Have you heard of any retailers reducing employee hours? If so, please explain.
  - a. Please see my previous answer.

5. Have you heard of any retailers halting plans to expand or hire more staff because of the health care law? If so, please explain.
  - a. I have heard this anecdotally – that certain franchised operations have been reluctant to open new franchised locations – but not on a company-wide basis. I have also not heard of specific hires to implement the ACA, but know that it has become more than a human resources challenge for affected companies. Finance, legal and information technology staff are commonly cited as participating in ACA compliance efforts.